FISCAL YEAR 2004 HOUSE CURRENT LEVEL REPORT AS OF SEPTEMBER 3, 2003

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues	0	0	1,466,370
Permanents and other spending legislation	1,089,029	1,061,356	0
Appropriation legislation	0	345,754	0
Offsetting receipts	−366,436	−366,436	0
Total, previously enacted	722,593	1,040,674	1,466,370
Enacted this session: (excluding emergencies [1])			
Emergency Wartime Supplemental Appropriations Act of 2003 (P.L. 108–11)	215	27,349	0
American 5-Cent Coin Design Continuity Act of 2003 (P.L. 108–15)	−1	−1	0
Unemployment Compensation Amendments of 2003 (P.L. 108–26)	4,730	4,730	145
Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108–27)	13,312	13,312	−135,370
Welfare Reform Extension Act of 2003 (P.L. 108–40)	99	108	0
Burmese Freedom and Democracy Act of 2003 (P.L. 108–61)	0	0	−10
Smithsonian Facilities Authorization Act (P.L. 108–72)	1	1	0
An Act to Amend Title XXI of the Social Security Act (P.L. 108–74)	1,325	100	0
Total, enacted this session	19,681	45,599	−135,235
Cleared, pending signature:			
Chile Free Trade Agreement Implementation Act (H.R. 2738)	0	0	−5
Singapore Free Trade Agreement Implementation Act (H.R. 2739)	0	0	−55
Total, cleared, pending signature	0	0	−60
Entitlements and Mandatories: Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	359,173	338,663	0
Total Current Level [1, 2]	1,101,447	1,424,936	1,331,075
Total Budget Resolution:	1,880,555	1,903,502	1,325,452
Current Level Over Budget Resolution	0	0	5,623
Current Level Under Budget Resolution	−779,108	−478,566	0
Memorandum:			
Revenues, 2004–2008;			
House Current Level	0	0	8,377,042
House Budget Resolution	0	0	8,168,933
Current Level Over Budget Resolution	0	0	208,109

[1] Per section 502 of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2004, amounts designated as an emergency are exempt from enforcement of the budget resolution. As a result, the current level excludes outlays of $262 million from funds provided in the Emergency Supplemental Appropriations for Disaster Relief Act of 2003 (P.L. 108–69).

[2] For purposes of enforcing section 311 of the Congressional Budget Act in the House, the budget resolution does not include outlays of $508 million from prior appropriations for Social Security administrative expenses. As a result, the current level excludes these items.

Notes.—P.L.=Public Law.

Source: Congressional Budget Office.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

(Mr. STRICKLAND addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. JEFFERSON) is recognized for 5 minutes.

(Mr. JEFFERSON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 5 minutes.

(Mrs. CHRISTENSEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for half the time until midnight.

Mr. SMITH of Michigan. Mr. Speaker, tonight, while we discuss issues, there are two global forces proceeding on a collision course. The first is the aging of society. This does not mean that each one of us is getting older, which is true, but rather that the elderly population is increasing more rapidly than the population as a whole. The second is that Social Security systems which provide most elderly people financial support are not sustainable as they are recently structured because as people are getting older the birthrate is also decreasing.

The paths of these forces ultimately will affect most countries of the world, both developed and lesser developed. The wages of employees and workers will be going down and the security of the elderly and the people's very economic well-being will be disrupted.

I would suggest, Mr. Speaker, that much is at stake and the challenges are real, but the opportunities are also unprecedented. As few as 6 years ago it was very unpopular to discuss Social Security and the problems of the solvency of Social Security and the fact that Social Security was going broke because it was so, for lack of a better word, demagogued in political campaigns.

When I introduced my first Social Security bill, 9 years ago now, my opponents in the next election said, well, the gentleman from Michigan (Mr. SMITH) is trying to harm Social Security and your Social Security is in danger. And of course seniors, better than half of whom depend on Social Security for over 90 percent of their retirement income, were concerned. And so it took a lot of speeches on my part, I gave 200 speeches in my district in my first 4 years in Congress, explaining what the problems of Social Security are. So the people in the 7th Congressional District of Michigan understand the charts that I am going to go through tonight and the predicament that Social Security faces and the fact that it is going to be insolvent very shortly.

Social Security is a pay-as-you-go system. And unlike privately invested savings accounts, where contributions are invested in wealth-producing assets for retirement, Social Security benefits, the taxes that come in to pay your Social Security, are immediately sent out as benefits. So it is a generation transfer of wealth. Younger workers today are paying in their FICA tax, their Social Security tax, and almost immediately by the time it gets to the Social Security Administration that money is sent out in benefits for existing retirees.

And of course it is sort of like a chain letter. If you can imagine, government is saying, well, look, you pay to the names at the top of this list, you add your name to the bottom of the list, and then in later years, all of the people under you on that list will be sending you money. Well, the success of a pay-as-you-go system like Social Security is predicated on the fact that there is going to be a growing worker population, or at least the worker population as a percentage of the number of retirees is not going to dwindle. And of course right now the number of workers per senior in many countries of the world is going down.

We can talk about the extreme problems that are now facing Japan and Italy and France and Germany. In France, for example, Mr. Speaker, their payroll tax in France is 51 percent of the paycheck that they earn. Now that means that the company is deducting that 51 cents from their pay, and what they cannot deduct from the pay because they cannot hire employees, then they have to increase in the price of their product. So two things happen: the worker earns less than they might otherwise earn and the price of the product goes up. So that particular company is less competitive than other countries that do not have that kind of huge burden of accommodating their senior population.

Germany is approaching a 40 percent payroll tax deduction. In the United States we have a 15 percent payroll deduction. We have 12.4 for Social Security and the remainder is for Medicare and Medicaid, the Medicare part A and Medicare part B.

I put this first chart up to sort of review the history of the United States and how Social Security first got started. We went through the very severe depression of the late 1920s and early 1930s, and Franklin Delano Roosevelt said, look, there needs to be some kind of a forced savings program so that old people do not have to go over the hill to the poor house and live in poverty. There should be some kind of security for these people. So he suggested a forced savings plan while people were working, to take some of those earnings and, in effect, put it aside so we had that social security, those benefits that could be paid out in retirement.

When Franklin Roosevelt created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand in hand with personal savings and private pension plans.

Researching the archives of some of the debate in the House and the Senate was very interesting. Back in 1934 and 1935, as it turned out, the Senate proposal, and of course what we do here is the Senate passes one bill, the House passes another, then it goes to conference committee for the final compromise before we send it to the President. The Senate said, look, it should be privately owned accounts. We are going to force people to take a portion of their earnings and put it in a savings account, an investment account, for their future retirement, but it is going to be owned by the workers. The House, on the other hand, passed legislation that suggested that, look, government would handle all of this money coming in and then government would keep that money and pay it out when the time came for these retirees to retire.

In the conference committee, the argument from the House was very strong. They said, look, we just went through this terrible depression; we need government to control this money instead of having individuals maybe investing in something they should not invest in. So let us have the government control it. So it ended up with a compromise of what we have today as Social Security with workers paying into the Social Security System, the government taking all this money, and then paying it out when somebody would retire.

□ 2320

Now, since 1983 when we had the huge tax increase on Social Security, the Greenspan commission said well, Social Security is going broke, we are going to cut benefits and increase taxes, so we had a huge tax increase. Since 1983, there has been extra surplus money coming in from the FICA tax, and part of the problem is instead of that extra surplus money being invested and gaining returns, this Chamber, the Senate, the President, has spent that money every year for some other purpose. In the pretense of having a lockbox in a couple of the good years, we borrowed that money from Social Security and we paid down some of the public debt, the Wall Street debt, but we still used it. It was gone instead of being invested.

I wanted to show a pie chart of how we spend the revenues coming into the Federal Government to demonstrate just how big Social Security is as a total part of total government expenditures that are now approaching $2.2 trillion. And I am not sure Members can read the numbers, but Social Security is 22 percent of the total Federal budget compared to defense. Even with Iraq and Afghanistan at 18 percent, other domestic discretionary spending, all of the 13 appropriations bills which go through this Chamber that we spend half the year arguing about, those 13 appropriations bills for discretionary spending only amount to 19 percent. The point I am trying to make is Social Security is the largest part of the total budget and the problem is that if we have seniors living longer, that part of the pie is getting bigger and bigger.

If we add prescription drugs to Medicare, then the green-eyeshade predictors are predicting that within 50 years Medicare will be a larger expense than Social Security, but essentially taking up to over half of all Federal revenues spent for Social Security and Medicare.

Because Social Security solutions are complicated by other spending, I want to demonstrate with this chart what is happening to Federal spending. It was President Reagan that said we are spending worse than drunken sailors and the sailors were offended, but government has been growing at 2 and 3 times the rate of inflation, so government is getting bigger and bigger. And we are doing that not with tax revenues coming in, because it is unpopular to raise taxes, so it is sort of a tricky system which has been devised which will simply borrow the money so people back home cannot really see that that extra borrowing affects their lives, nothing like what they see when they pay their tax bill, so we have continued borrowing. So the debt of this country is now growing very rapidly. We now have a debt of $6.8 trillion, and the total debt is approaching $10 trillion in the next 10 years.

This middle green line is the debt held by the public. That has been going up. We had a little downside during the good years of 1999 and 2000 and 2001, but even that is going to continue to increase. But the dramatic increase is the bottom purple line, and that is the amount that we are borrowing from Social Security. So we continue to borrow from Social Security, and that means that the total debt, what we are borrowing from Wall Street, and now so much of that borrowing is from other countries. Because of our trade deficit, they invest their money in this country and now they own more of this country than I think we should be comfortable with, but that is another debate. But the total debt of this country is the sum of what we are borrowing on Wall Street plus what we have borrowed from Social Security, and it is approaching $10 trillion.

The Congressional Budget Office just made their predictions last Friday which is that for this year, 2003, the deficit spending, how much more we are spending than what we are taking in, if we include what we are borrowing from Social Security, is $560 billion in 2003, $640 billion in 2004.

Is that bad? Is that a lot of money? Maybe putting it in perspective, what are we, 227 years old as a country. In the first 200 years of this country, we amassed a debt of $500 billion, and now we are going over $500 billion deeper in debt every year. I think it is important to remember that those current taxpayers and citizens do not feel the pain of this extra borrowing and extra debt. The deficit is how much we overspend in 1 year over and above the revenues that are coming in, and debt is the accumulation of those annual deficits. But debt and deficit is the promise of future taxes. Who is going to pay these future taxes? It is our kids and grandkids that we are imposing this burden on, saying we think our problems are so great today that we are going to borrow this money that you have to pay back somehow in future years because we think our problems are so important today that we are going to make you pay back the cost of this overspending that this Congress, this House, this Senate, this President, the last President, the President before him, have decided it is reasonable to put you deeper in debt.

Right now every man, woman, and child in this country owe over $26,000. A baby is born, that baby has a debt of $26,000 burden for the rest of his life that sometime is going to have to be accommodated.

Here is my one-glance chart. The red means how deep we are going to be in trouble with Social Security in future years. The short purple-blue here is the surplus, the extra money, the money that is greater than the benefits being paid out that is coming in in FICA taxes and Social Security taxes right now. And the only reason again that we have this extra amount coming in, as it turns out it was a mistake in 1983. They calculated the increased tax on Social Security that was needed. They calculated higher than they actually needed, so we have had huge surpluses coming in because those surpluses are going to run out simply because the baby boomers are going to start retiring in the next few years, and those baby boomers that are at the top of their earning, paying in maximum Social Security taxes, are going to go into the receiving side of Social Security and taking out maximum benefits.

It is a tremendous challenge. The unfunded liability is estimated between $9 trillion and $10 trillion today. If we are going to keep Social Security solvent for the next 75 years, it would take between $9–10 trillion today to put into an investment fund to accommodate the shortage of revenues as opposed to promised benefits.

□ 2330

This chart represents the problems of fewer workers being responsible to pay the retirement benefits of our retirees in this country. In 1940 there were 38 workers working for every person over age 65. By the year 2000, it was three workers. The projection by the actuaries at the Social Security Administration is that by 2025, there will only be two workers working and paying in their Social Security tax for every retiree. If we are to give those retirees the same amount, you can see that taxes have to be increased. And so I have another chart that is coming up pretty soon on how every time we have been in trouble in this country since we started Social Security, every time we started running low on funds, we increased the tax rate or the tax base, how much the tax rate is on so many dollars that you might earn.

This is not a new situation in terms of knowing it was a problem. Let me read you a few quotes, starting with 1991 from the former commissioner of Social Security, Dorcus Hardy, at that time. He said, and I quote:

''The crisis is coming fast in the lifetime of a few already retired and of almost all those now under age 55. The stakes are high, trillions of dollars.'' That is 1991.

The next quote is from 1994: ''Failing to take prompt action on Social Security will burden our children and our grandchildren with benefit cuts and crippling taxes.'' That was Representative NICK SMITH. When I came to Congress in 1993, I already had my first Social Security bill. So every 2-year session I have introduced another Social Security bill. Since 1994, they have all been scored by the Social Security Administration to keep Social Security solvent. I came to Congress and went on the Budget Committee, in my first year, freshman year in Congress, I introduced a budget that balanced the budget for this country because I felt so strongly as a farm kid from Michigan that government should act like we ask families to act, that they cannot just go deeper and deeper into debt and never pay it back. Somehow there has to be some kind of a plan where eventually you start paying back all the debt you earn. Right now we have the interest on the debt, if we were to go back to that pie chart, is approaching $300 billion, but this is at record low interest rates. If interest goes back to normal, then the servicing of that debt, the interest payment on that debt, is going to almost be a much more dramatic part of the whole Federal Government spending.

And what do we do to pay the interest on that debt? Do we just simply borrow more money, pretending that sometime in future years our kids and our grandkids will magically come up with the productivity and the competitiveness internationally to pay off this debt that we are accumulating today? I think we should be ashamed of ourselves.

I get off the track here, but let me go through a few more of these quotes which I am trying to simply demonstrate that we have known for a long time that it has been a problem. This is in 1996 and it is the former Secretary of Commerce and the Concord Coalition President, Peter Peterson: ''Will America grow up before it grows old? Will we make the needed Social Security transformation early, intelligently and humanely or procrastinate until delay exacts a huge price from those least able to afford it?''

1998: ''We face a crisis in the Social Security system and we can no longer wait to put it on a sound footing. We need to move from the unreliable pay-as-you-go system to one based on benefitting from real investment.'' That was representative Tim Penny, Democrat from Minnesota, 1998.

In 1999: ''Time is the enemy of Social Security reform and we should move without delay.'' Actually that came from a bipartisan Social Security task force that I chaired where Democrats and Republicans agreed that we cannot delay and put off any longer a solution to make Social Security solvent because we knew and Americans know that Social Security is an important program to so many Americans, current and future retirees, that we simply should not overlook it.

I just am so discouraged that there has been little reaction from the House or the Senate in developing solutions to Social Security. By my count, there have only been 26 Members since I came to Congress in 1993, only 26 Members that have signed on to the Social Security solution bill that would keep Social Security solvent.

Let me move ahead with the charts. Insolvency is certain. We know how many people there are and we know when they are going to retire. We know that people will live longer in retirement. We know how much they will pay in and how much they will take out. Payroll taxes will not cover benefits starting in 2017 and the shortfalls will add up to $120 trillion between 2017 and 2075. $120 trillion over those years is the same as putting that nine to $10 billion in a savings account today.

If we are to increase taxes to cover these deficits, again that means that the taxes come out of the hide of those workers for less income or it means higher prices that that company charges when they sell their products. So somehow people are paying that tax. Doing nothing means tax increases of some kind in the future.

I thought this was a fun chart, Mr. Speaker. This is how many years it takes over the past 60 years that you have to live after retirement to break even on the Social Security taxes that you have sent to government. If you were lucky, in 1940 since that was just the beginning, you could get back all you and your employer put in in 2 months. By 1980, you had to live 4 years after retirement. In 1995, you had to live 16 years after retirement. It keeps going up because we keep over these years increasing the taxes that you pay in, so you are paying in more money, benefits are not increasing proportionally that much so you end up having to live longer to break even on Social Security. The purpose of this chart is to try to start sending the message that Social Security is not a good investment for retirement. By 2015, it goes to 26 years that you have to live after you reach 65 to break even on the money you have sent in to Social Security.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. CARTER). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for the remainder of the time before midnight.

Mr. SMITH of Michigan. Mr. Speaker, I will not take all the time. I will cut my speechmaking down a little bit, but allow me to go quickly through these charts. If you know everything that is on these charts, then I would suggest, Mr. Speaker, the people that might be watching would be more informed on the problems of Social Security than probably many Members of the House and the Senate.

The Social Security trust fund, when I started making my 200 speeches in my district to explain Social Security, people thought if government would just keep its fingers off the Social Security trust fund, not taking that surplus money, that Social Security would be okay. This chart represents how much is in the trust fund, how much government has borrowed and owes to the trust fund, government does not know how it is going to pay it back, but on the books government owes $1.3 trillion to the Social Security trust fund. The shortfall that we talked about earlier between nine and $10 trillion is the shortfall that we need today in an investment account receiving interest rate returns to accommodate the shortfalls in Social Security. By shortfalls, I mean how much is needed over and above the dollars coming in from the FICA tax.

A system stretched to its limits. Seventy-eight million baby boomers begin retiring in 2008. Social Security spending exceeds tax revenues in 2017. And Social Security trust funds go broke in 2037. What that means, Social Security trust funds go broke, that is assuming, and I think it is a fair assumption, that somehow government is going to borrow more money or reduce benefits to pay back, but eventually it is going to pay back what it has borrowed.

□ 2340

The challenge is where does that money come from? Do we lower benefits to save some of the money? Do we lower spending on other programs, or do we increase the income tax? Do we increase user fees, or do we increase the payroll tax?

This is an interesting chart, Mr. Speaker. The real return of Social Security is less than 2 percent for most workers, and it shows a negative return for some compared to over 7 percent of the market. If they are very low income and they do not have good food and they do not have the kind of health care they should, then often they are going to die before age 65. So they pay in money, and then they do not get that money back because they do not reach 65. The average return is just under 2 percent, about 1.7 percent, but the Wilshire 5000 index, an index fund of 5,000 of the leading stocks in this country over the last 10 years, and that includes the last 3 bad years of the Dow in the stock market, the average for the Wilshire fund over and above inflation is 7 percent. So is there some way that we can decide that here is some kind of a safe investment, it is going to be in the worker's name so that government in these cases, in the cases of individuals that might die before they reach 65, that money still goes into their estate to go to whoever they choose that it might go to rather than government saying they died too early and they do not get anything.

Social Security is a challenge. We have got to face up to it. I went over to the White House a few weeks ago. I talked to the President about it. I talked to Karl Rove about it. They agreed that it has got to be one of the main issues that we talk about in next year's campaign. And so, Mr. Speaker, I would hope that everybody that is interviewing candidates that are running for the U.S. House of Representatives or running for the United States Senate or running for President to say, look, what are your plans to save Social Security? And do not go along with this hogwash rhetoric of saying, boy, Social Security is important and we are going to save it. Ask a follow-up question: How are you going to do that? Do you know that Social Security has a liability right now of $10 trillion? Where are you going to come up with the money? How are you going to do that?

So I think it is important that we pin every candidate down to make them develop and come up with a plan that is going to save Social Security instead of simply glossing over with rhetoric that it is an important program and, by gosh, we are going to save it.

The U.S. trails other countries in saving its retirement system. In the 18 years since Chile offered PRAs, personal retirement accounts, 95 percent of Chileans have created accounts. Their average rate of return has been 11.3 percent a year. Among others, Australia, Britain, Switzerland offer personal retirement accounts.

There is no Social Security account with their name on it. I like this quote from the Office of Management and Budget: ''These (trust fund) balances are available to finance future benefit of payments and other trust fund expenditures but only in a bookkeeping sense. They are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures.''

There have been two cases that have gone before the Supreme Court of the United States with people that did not receive Social Security benefits but they said, Look, we paid into Social Security, we deserve those benefits. In two different decisions, the Supreme Court of the United States said there is no entitlement to Social Security benefits just because they paid into the Social Security system. So there should be an acknowledged, a realized danger that if worse comes to worst, government can say we are not going to pay all those benefits because we do not have the money and after all we are doing all these other important things; so they need to sacrifice with the rest of the Nation. But if they are in their own personal accounts and if we go to a fixed contribution with guaranteed returns, the bill I am going to introduce next week, and my press conference is in room 2200 over in the Rayburn building announcing the bill that I am going to introduce on Social Security, it has been scored by the Social Security Administration and it is keeping Social Security solvent forever, and takes the kind of actions of making it optional if one wants to have a private savings account earned by them as the worker; but it also guarantees that they will get as much back as they would out of Social Security for people who choose not to invest in personal savings accounts.

Economic growth will not fix Social Security. We hear quite often when the economy gets back on its feet, then there is no problem. The problem is Social Security benefits are indexed to wage growth; and when the economy grows, workers pay more in taxes but also will earn more in benefits when they retire. So temporarily we have more taxes coming in, but because there is a direct relation between the earnings that they have and the taxes they pay in to the benefits that they eventually get out, we dig a deeper hole later. Growth makes the numbers look better now, but leaves a larger hole to fill later.

I think the important point, Mr. Speaker, is that we have got to do something. It is just unconscionable, and I feel embarrassed that I have not been able to excite more of our Members. I mean, there are important things going on from Iraq to Afghanistan to how do we deal with prescription drugs and Medicare. But to put off and not face up to the largest financial crisis that we see down the road that is going to affect such an important program for Americans is not fair. It is not fair to our kids. It is not fair to retirees. It is not fair to our workers. The biggest risk is doing nothing at all.

Social Security has a total unfunded liability of over $9 trillion. It looks like about $9.6 trillion. The Social Security trust fund contains nothing but IOUs. To keep paying promised Social Security benefits, the payroll tax will have to be increased by nearly 50 percent or benefits will have to be cut by 30 percent. Probably politically we will not cut benefits. That means that the other option is to increase taxes on somebody; but here again our businesses, we are losing our manufacturing base. What bothers me even more as chairman of the Subcommittee on Research of the Committee on Science is we have lost 500,000 jobs in the last 3 years, the high-tech jobs; and if we start putting an extra 50 percent price on the products that we are selling trying to compete in the world or if we cut the pay of workers, either way it has a tremendous effect on our ability to compete.

Increasing payroll taxes, I suggest, is not the answer. In 1940 the rate was 2 percent on a base of $3,000; so one could pay $60 a year. By 1960 we were running out of money again; so we tripled the rate to 6 percent on the first $4,800 base for $288 a year. In 1980 we upped it to 10.16 percent of the first $25,900 for a $2,600 possible tax per year. In 2000 we upped it to 12.4 percent on $76,000, but the $76,000 was indexed for inflation; so now it is 12.4 percent on the first $84,000. So here again just to demonstrate that what we can expect in the future if we continue to put off Social Security, the longer we put off the solution, the more drastic the solution has to be; and I know that because this is my fifth Social Security bill that I am introducing next week.

I thank our pages this late at night. Let me just wrap this up. Our two pages working this late in the evening, one from New Jersey and one from Arizona. So I thank the pages, and I am about to conclude.

□ 2350

Seventy-eight percent of families pay more in payroll taxes than in the income tax. The percentage of families that pay less in payroll taxes than income taxes is 22 percent, so the reciprocal is 78 percent. We have raised Social Security taxes so much on the workers that 78 percent pay more in the Social Security tax than they do in the income tax.

Personal retirement accounts, they do not come out of Social Security. They become part of your Social Security retirement benefits. A worker will own his or her own retirement account and is limited to safe investments that will earn more than the 1.9 percent paid by the Social Security. Actually it is 1.7 percent.

The findings of the House Committee on the Budget Task Force on Social Security that I chaired several years ago, 4 years ago, after we heard all of the testimony over a period of a year, we all agreed, Republicans and Democrats, that we have got to do something, that Social Security is going broke, that we need to have some guidelines to guide us in how we revise Social Security, and the guidelines essentially boiled down to three statements. Number one was that we should not affect existing retirees; number two, that workers should be able to be even better off with retirement benefits than they are today; and the third proposition is that somehow the changes should not damage our economy in America, but actually improve the economy. That is why savings and investment is so important.

Mr. Speaker, I urge all my colleagues to be prepared when their constituents ask them what are they going to do about solving the Social Security problem.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ACKERMAN (at the request of Ms. PELOSI) for today after 7:00 p.m. and the balance of the week on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. RYAN of Ohio, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. DOGGETT, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. JEFFERSON, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

(The following Members (at the request of Mr. SMITH of Michigan) to revise and extend their remarks and include extraneous material:)

Mr. SHUSTER, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, September 9 and 10.

Mr. NUSSLE, for 5 minutes, today.

ADJOURNMENT

Mr. SMITH of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Friday, September 5, 2003, at 9 a.m.

NOTICE OF PROPOSED RULEMAKING

U.S. CONGRESS,
OFFICE OF COMPLIANCE,
Washington, DC, September 4, 2003.

Hon. J. DENNIS HASTERT,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Section 303(b) of the Congressional Accountability Act of 1995 (2 U.S.C. 1384(b)), I am transmitting on behalf of the Board of Directors the enclosed notice of proposed procedural rulemaking regulations under Section 303 of the Act for publication in the Congressional Record.

The Congressional Accountability Act specifies that the enclosed notice be published on the first day on which both Houses are in session following this transmittal.

Sincerely,

SUSAN S. ROBFOGEL,
Chair.

OFFICE OF COMPLIANCE

The Congressional Accountability Act of 1995: Proposed Amendments to the Rules of Procedure.

Introductory Statement: Shortly after the creation of the Office of Compliance in 1995, Procedural Rules were adopted to govern the processing of cases and controversies under the administrative procedures established in Title IV of the Congressional Accountability Act of 1995 (''CAA,'' 2 U.S.C. 1401–1407). Those Rules of Procedure were slightly amended in 1998. The existing Rules of Procedure are available in their entirety on the Office of Compliance's web site: www.compliance.gov. The web site is fully compliant with section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d).

Pursuant to section 303(a) of the CAA (2 U.S.C. 1383(a), the Executive Director of the Office has obtained approval of the Board of Directors of the Office of Compliance regarding certain amendments to the Rules of Procedure. Having obtained the Board's approval, the Executive Director must then ''publish a general notice of proposed rulemaking . . . for publication in the Congressional Record on the first day on which both Houses are in session following such transmittal.'' (Section 303(b) of the CAA, 2 U.S.C. 1383(b).)

NOTICE

Comments regarding the proposed amendments to the Rules of Procedure of the Office of Compliance set forth in this NOTICE are invited for **a period of thirty (30) days** following the date of the appearance of this NOTICE in the Congressional Record. In addition to being posted on The Office of Compliance's section 508 compliant web site (www.compliance.gov). This NOTICE is also available in the following alternative formats: Large Print, Braille. Requests for this NOTICE in an alternative format should be made to Bill Thompson, Executive Director or Alma Candelaria, Deputy Executive Director, Office of Compliance, at 202/724–9250 (voice) or 202/426–1912 (TDD).

Submission of comments must be made in writing to the Executive Director, Office of Compliance, 110 Second Street, S.E., Room LA–200, Washington, D.C. 20540–1999. It is requested, but not required, that an electronic version of any comments be provided on an accompanying computer disk. Comments may also be submitted by facsimile to the Executive Director at 202–426–1913 (a non-toll-free number.) Those wishing to receive confirmation of the receipt of their comments are requested to provide a self-addressed, stamped post card with their submission.

Copies of submitted comments will be available for review at the Office of Compliance, 110 Second Street, S.E., Washington, D.C. 20540–1999, on Monday through Friday (non-Federal holidays) between the hours of 9:30 a.m. and 4:30 p.m.

Supplementary Information: The Congressional Accountability Act of 1995 (CAA), PL 104–1, was enacted into law on January 23, 1995. The CAA applies the rights and protections of 11 federal labor and employment statutes to covered employees and employing offices within the Legislative Branch of Government. Section 301 of the CAA (2 U.S.C. 1381) establishes the Office of Compliance as an independent office within that Branch. Section 303 (2 U.S.C. 1383) directs that the Executive Director, as the Chief Operating Officer of the agency, adopt rules of procedure governing the Office of Compliance, subject to approval by the Board of Directors of the Office of Compliance. The rules of procedure establish the process by which alleged violations of the 11 laws made applicable to the Legislative Branch under the CAA will be considered and resolved. The rules include procedures for counseling, mediation, and election between filing an administrative complaint with the Office of Compliance or filing a civil action in U.S. District Court. The rules also include the process for the conduct of administrative hearings held as the result of the filing of an administrative complaint, and for appeals of a decision by a hearing officer to the Board of Directors of the Office of Compliance, and for an appeal of a decision by the Board of Directors to the United States Court of Appeals for the Federal Circuit. The rules also contain other matters of general applicability to the dispute resolution process and to the operation of the Office of Compliance.

These proposed amendments to the Rules of Procedure are the result of the experience of